

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

**IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) PSC DOCKET NO. 11-381F
TO ITS GAS COST RATES)
(FILED AUGUST 31, 2011))**

**DIRECT TESTIMONY OF

MALIKA DAVIS

ON BEHALF OF COMMISSION STAFF**

PUBLIC VERSION

FEBRUARY 28, 2011

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1 **I. Introduction and Purpose of Testimony**

2 **Q. Please state your name, business address, and current occupation.**

3 A. My name is Malika Davis. My business address is 861 Silver Lake Boulevard, Suite 100,
4 Dover, Delaware 19904. I am a Public Utility Analyst II for the Delaware Public Service
5 Commission (“PSC” or “Commission”). I have been employed as a Public Utility Analyst since
6 joining the Commission in March 2010.

7
8 **Q. What are your job responsibilities as a public utility analyst?**

9 A. I am responsible for certifying Delaware electric suppliers, monitoring Chesapeake
10 Utilities Corporation’s monthly financial reports and quarterly rate of return reports, monitoring
11 of Delmarva Power and Light’s (“Delmarva” or the “Company”) quarterly reports related to
12 customer service and operational issues, quarterly rate of return reports, monthly gas cost rate
13 recovery schedule reports, and quarterly hedging reports. I am also assisting with customer
14 education initiatives related to decoupling, advanced metering infrastructure, and dynamic
15 pricing. Last, I was the case manager in Delmarva’s most recent Environmental Surcharge Rider
16 case.

17
18 **Q. What is your professional experience and educational background?**

19 A. I have a Bachelor of Science in Marketing and Business Administration and a Master of
20 Business Administration from Delaware State University. Prior to my employment with the PSC,
21 I was employed as a Management Analyst I with the Delaware Division of Motor Vehicles
22 (DMV). My duties included monitoring the Commercial Driver Licensing Program for
23 compliance with State and Federal laws and regulations, training driver license examiners,

1 issuance staff, and driver improvement staff, interacting with other State and Federal agencies,
2 representing the DMV at administrative hearings, applying for Federal grants and maintaining
3 compliance with Federal requirements for grant reporting. Before accepting the position with the
4 DMV, I was employed as a Labor Market Analyst with the Delaware Department of Labor in the
5 Office of Occupational Labor Market Information, where I was assigned to work on the
6 Occupational Employment Statistics program. I was also previously employed at Delaware State
7 University where I held several positions, including Records Office Assistant/Secretary, Acting
8 Lead Student Services Generalist, Adjunct Instructor, and Career and Academic Advisor for the
9 College of Business.

10
11 **Q. What is the purpose of your testimony?**

12 A. I was assigned to review Delmarva's Application for a Change in Its Annual Gas Cost
13 Rates (the "Application") to ensure that the proposed rates are just and reasonable and that they
14 comply with Delmarva's tariff. I examined Delmarva's Application, including testimonies and
15 exhibits; Delmarva's responses to Staff's and the Division of the Public Advocate's ("DPA")
16 data requests; prior GCR dockets, orders, and documents regarding follow-up issues; Delmarva's
17 2010-2011 quarterly hedge reports; the natural gas demand supply plan for this Application; and
18 the strategic gas supply plan for the period 2011/2012 through 2016/2017. I attended meetings
19 with various Company personnel involved with the GCR, and assisted in monthly audits of
20 Delmarva's GCR sales, revenues, and costs. My testimony includes a detailed recommendation
21 to the Commission regarding the treatment of this Application.

II. Summary of Conclusions

Q. Please summarize your conclusions and recommendations.

A. After reviewing the Application and responses to data requests I have formed the following conclusions and recommendations:

- The Gas Cost Rates (“GCR”) requested in the Application for November 1, 2011 through October 31, 2012, and approved by the Commission on a temporary basis subject to refund, should be approved as final. These rates will be subject to a true-up in Delmarva’s next GCR proceeding based on actual gas procurement costs and revenue during this period.
- It appears the Company is complying with the settlement agreement in Docket 10-295F.
- The Company should continue with its actions to mitigate increases in fixed costs with regard to pipeline charges, storage services and peaking sources.
- The Company should update Staff and the DPA regarding to how it plans to meet its legislatively mandated reduction in natural gas use.

III. Background of the Application

A. Summary and Review of the Application

Q. Please summarize the Application.

A. The GCR is the rate that the Company charges its customers to recover its natural gas costs for the twelve month period from November 1st through October 31st of each year, also known as the Gas Cost Year (“GCY”). The Company’s tariff requires an annual estimated GCR filing to be made by August 31st of each year. The tariff also contains a provision for reconciling over- or under-recoveries from a preceding year.

The Application shows a projected under-recovery balance of \$19,759,576 for the previous GCY ending October 31, 2011. The rates that the Commission permitted to go into effect on November 1, 2011 on a temporary basis subject to refund are based on projected sales data and gas costs for the twelve-month period November 1, 2011 through October 31, 2012. The Company provided testimony to reconcile and true-up actual with estimated Commodity Cost Rate assignments for its Large Volume Gas service (“LVG”) and electing Medium Volume Gas service (“MVG”) customers.

Q. What changes to the current GCR is the Company proposing?

A. Delmarva proposes to revise the GCR demand and commodity charge applicable to Service Classifications MVG and LVG; to revise the volumetrically applied GCR factors applicable to Service Classifications Residential Gas Sales Service (“RG”), General Gas Sales Service (“GG”), Gas Lighting Sales Service (“GL”), and non-electing MVG effective on November 1, 2011 with proration; and to reconcile and true-up actual versus estimated Commodity Cost Rate assignments for LVG and electing MVG Customers.

Below is an illustration of the proposed GCR modifications:

	<u>Present</u>		<u>Proposed</u>	
	GCR Demand Charge	GCR Commodity Charge	GCR Demand Charge	GCR Commodity Charge
<u>Rate Schedules</u>				
RG, GG and GL	N/A	94.042¢/ccf	N/A	88.804¢/ccf
Non-electing MVG	\$12.0266/Mcf of Billing MDQ	\$7.5811/Mcf	\$11.0936/Mcf of Billing MDQ	\$7.1740/Mcf
Electing MVG and LVG	\$12.0266/Mcf of Billing MDQ	Varies	\$11.0936/Mcf of Billing MDQ	Varies
Standby Service	\$12.0266/Mcf of Billing MDQ	N/A	\$11.0936/Mcf of Billing MDQ	N/A

1 **Q. How would the proposed changes to the GCR impact Delmarva's residential**
2 **customers?**

3 A. An average residential space heating customer using 120 ccf during a winter month will
4 experience a decrease of \$6.29 (or 3.7%) in his total bill. I have attached a bill calculation
5 (Attachment MD-1) showing the percentage of the total bill associated with the GCR change.
6

7 **Q. Please explain the impact of the proposed GCR changes for Commercial and**
8 **Industrial customers.**

9 A. These customers will experience decreases ranging from 2.1% to 4.9% depending on load
10 and usage characteristics.
11

12 **Q. Did you receive any assistance in your review of this filing?**

13 A. Yes. The Commission Staff retained Mr. Richard LeLash to assist it in reviewing the
14 GCR filing and the Company's Supply Plan, and in evaluating the Company's procurement
15 against established regulatory standards. Mr. LeLash's review focused on gas costs, gas
16 purchasing practices, the hedging program and the management of the Company's gas supply.
17

18 **Q. What did Mr. LeLash find during his review?**

19 A. Mr. LeLash reviewed the GCR filing, the Company's Supply Plan and the answers
20 provided in the Company's response to discovery requests issued by Staff and DPA. He also
21 participated in phone calls and informal discovery with the Company and DPA. Mr. LeLash
22 indicated that he did not see any cause for concern regarding the Application and the Company's

1 ongoing gas procurement policy and practices. Accordingly, he will not be filing any direct
2 testimony in this docket.

3
4 **Q. What actions did you take in preparing for this filing?**

5 A. Prior to the Company filing this Application, I was involved in auditing the Company's
6 gas costs. Each month the Company submits regulatory reports to the Commission. I review the
7 reports entitled "Comparison of Gas Expense Recovery." These reports provide totals for firm
8 sales, total GCR revenue, total gas cost, the Company's monthly over- or under-recovery, the
9 deferred fuel balance (year-to-date), and the percentage over- or under-recovery. The Company
10 also supplies reports addressing the development of annual commodity and demand expenses,
11 summarizing the sales and gas cost rate revenues for the various classes, and summarizing all
12 pipeline purchases, storage injections and withdraws, and hedge program financial settlements.

13 Upon Staff's request, the Company submitted back-up for these reports consisting of:

- 14 • Changes of MVG & LVG contract MDQs in Mcf.
- 15 • Spreadsheets detailing all line item charges to firm and non-firm transportation
16 customers.
- 17 • Accounting reports for accounts such as: Gas System Purchases, Gas Injections and
18 Withdraws, Flexibly Priced Sales ("FPS") costs, and Revenues from Off-System
19 Capacity.
- 20 • Monthly GCR sales totals back-up for Residential, MVG (electing and non-electing),
21 LVG, and Special contracts.

22
23 **Q. Was there any unique adjustment made to this GCR?**

1 A. Yes. The Company credited the GCR with \$530,090 during the period of October 2010
2 through July 2011 relating to issues with the interface management unit (“IMU”) on gas meters,
3 and made a corresponding \$1,800 credit to the interest expense calculation for the IMU issue.
4

5 **Q. Please explain the issues with the IMUs as you understand them.**

6 A. IMUs were placed on gas meters as part of the Company’s advanced metering
7 infrastructure deployment. [REDACTED]
8 [REDACTED]

9 [REDACTED] According to Mr. Jacoby’s testimony (p. 10), the adjustments
10 reduced the under-recovery, which in turn neutralized the impact to GCR customers.
11

12 **Q. Does Staff agree with these adjustments?**

13 A. Yes. Staff had consistently advised the Company that GCR customers should not be
14 responsible for any revenue losses associated with the faulty IMUs.
15

16 **B. 2010/2011 Gas Cost Rate Proceeding**

17 **Q. Please provide an update to the specific settlement agreement points in the previous**
18 **year’s GCR, Docket No. 10-295F.**

19 A. The Commission entered Order No. 8016 on October 18, 2011 approving a settlement
20 agreement reached in last year’s GCR. Five issues from Docket No. 10-295F have extended into
21 the current GCR docket. Below is a brief summary of each settlement issue and an update on that
22 issue.

23 1. GCR Rates:

1 The parties agreed that Delmarva would mitigate the impact of last year's proposed GCR
2 increase by amortizing the projected under-recovery of \$24.5 million from GCY 2010-2011 over
3 two years. The current Application includes \$12,430,976 from the previous 2010-11 GCR
4 period. Although the actual under-recovery from the 2010-11 GCR period was \$26.9 million, the
5 Company has actually requested a decrease in the GCR. The projected under-recovery amount of
6 \$19,759,576 includes the \$12,430,976 under-recovery from the 2010-11 GCY that was deferred
7 to the current GCR period.

8 2. Interest Expense:

9 Delmarva agreed to reduce its 2011-12 GCR and 2012-13 GCR recovery by \$171,000
10 each GCY. The reduction is related to the interest expense for the amortized 2010-11 GCY
11 underrecovery. In response to a data request, the Company provided documentation that the
12 reduction has been made for the 2011-2012 GCY.

13 3. Liquid Natural Gas ("LNG") Capacity:

14 Delmarva agreed to conduct two engineering assessments aimed at improving the
15 performance and reliability of its LNG plant. Delmarva reports that the engineering assessment
16 for the manifolding of the glycol heaters was completed in November 2011 and the engineering
17 assessment of the comprehensive instrument and control panel expected to be completed in the
18 Spring of 2012.

19 4. Natural Gas Hedging Program

20 Delmarva agreed to execute its Gas Hedging Program in accordance with the settlement
21 approved in Docket No. 08-266F and to review with Staff and the DPA any potential
22 modification of the hedging program mechanics. During the 3rd quarter hedging call, the
23 Company, Staff and the DPA discussed temporary modifications to the hedging program. On

December 1, 2011 Delmarva, Staff and DPA agreed to a temporary modification to the hedging program that allowed Delmarva to temporarily increase the hedged percentage of its projected supply requirements to take advantage of lower projected natural gas market prices. The results of this temporary modification to the hedging program will be reflected in the next GCR filing.

5. Inclusions in the next GCR filing:

Delmarva was to provide an update on how it is planning to meet the legislatively-mandated goal for reduction in natural gas consumption over the next several years.

According to a response to a data request about the legislatively-mandated goals, the Company reports that it exceeded the mandated reduction of natural gas usage for 2011. The reduction was in part attributed to the economic downturn in recent years. Delmarva is a participant in the Energy Efficiency Resource Standards Work Group (“EERS Workgroup”). The EERS Workgroup completed a study to determine the feasibility and impact of mandated goals. Among other things, the EERS Workgroup concluded that “Delaware is unlikely to achieve the legislation efficiency targets without some modification to the funding of efficiency investments, size of the efficiency targets, and/or the timeframe to accomplish the targets.” The Company should continue to update Staff and the DPA of its progress towards the current reduction goals. If any modifications to the legislation take place in the future, the Company should provide updates of progress towards those goals.

C. Forecasted Gas Sales and Supply Costs

Q. Please summarize the projected sales forecast for the November 2011 – October 2012 GCR.

A. The Company used the same methodology it used in Docket No. 10-295F to forecast its sales for the current GCR. The forecasts for Residential, Residential Space Heat, and General

Gas customers are projected using a multi-variant econometric model. The larger rate classes' forecasts are determined on a customer by customer basis using sales patterns, production and maintenance schedule changes, and load additions or deletions. Normal weather is defined as the 30-year average of monthly Heating Degree Days on a 65 degree Fahrenheit base ("HDD"), which is consistent with Commission Order No. 6327 in Docket No. 03-137.

Delmarva projects the total throughput volume for November 2011 through October 2012 to increase from the prior GCY. Firm sales are expected to decrease by 3.8% and firm transportation is projected to increase by 17.6%, as shown below.

	2010-2011 forecast	2011-2012 forecast	Change	% Change
Firm Sales	13,453,554 Mcf	12,946,388 Mcf	507,166 Mcf	-3.8%
Firm Transportation	5,646,637 Mcf	6,640,926 Mcf	994,289 Mcf	17.6%
Firm Throughput	19,100,191 Mcf	19,587,314 Mcf	487,123 Mcf	2.6%

Q. Was there any difference in the data source used to obtain normal weather in this year's GCR?

A. No. The HDD history is based on NOAA weather data collected at the "Wilmington" site located at the New Castle County Airport, New Castle, Delaware. This is consistent with Order No. 6327 in Docket No. 03-137, which directed the Company to use NOAA data once it became available to Delmarva's Gas Delivery division. The Company began using NOAA data in its previous GCR case.

Q. What percentage loss factor did the Company use in this Application to account for gas that is lost and unaccounted for?

A. The Company used a 2% loss factor. This is the same loss factor that was used in the Company's previous application.

1 **Q. Please discuss how the forecasted spot purchase costs were developed.**

2 A. The Company used the NYMEX gas futures closing prices on August 4, 2011 as its spot
3 (wholesale) gas price. The Company believes that using a different methodology is not likely to
4 provide a more accurate GCR forecast. This methodology complies with Delaware PSC Order
5 No. 6956 from Docket No. 05-312F, which states that:

6 (a) Delmarva will use the NYMEX natural gas futures as the primary
7 tool in establishing its proposed gas cost rate each year;

8 (b) Delmarva will use the NYMEX gas futures prices based upon a
9 single day's close or an average of two or more days of closing
10 prices selected from actual gas futures closing prices observed
11 between July 20 and August 20 each year;

12 (c) Delmarva will use a consistent gas futures forecasting
13 methodology from year-to-year unless, in its good faith business
14 judgment, the Company believes that market indicators suggest
15 that a different methodology is likely to provide a more accurate
16 gas cost rate forecast.

17
18 **Q. Please summarize the projected natural gas commodity costs for the November 2011**
19 **– October 2012 GCR.**

20 A. Storage withdrawals are estimated to make up 25% of the commodity requirements, with
21 an estimated cost of \$4.98 per Mcf. Hedged purchases are estimated to make up 32.7% of
22 commodity requirements, with an estimated cost of \$7.18 per Mcf. Spot purchases are estimated
23 to make up 42.4% of commodity requirements with an estimated cost of \$4.43 Mcf. The

1 Company is currently estimating commodity costs of \$73,359,350 for the 2011-2012 GCR
2 period.

3
4 **Q. Please summarize the Company's projected fixed costs for the November 2011 -**
5 **October 2012 GCR.**

6 A. The Company is projecting fixed costs totaling \$28,631,100 for the 2011-2012 GCR
7 period. This estimate includes costs related to pipeline capacity and supply, costs for
8 storage/seasonal services, and costs for supplemental and peaking sources. The projected fixed
9 costs are \$102,812 or 0.4% lower than in the previous year's GCR projection. According to
10 witness Giovannini's testimony, the Columbia Gulf base rate increase, higher estimated Transco
11 FT costs and higher estimated Easter Shore costs were offset by the termination of several FT
12 and storage service agreements and lower Transco Washington and Eminence storage costs,
13 resulting in the decrease in fixed costs.

14
15 **Q. How do these costs relate to the fixed costs in the previous year's GCR periods?**

16 A. Attachments MD-2 through MD-4 depict the changes in fixed costs over the past three
17 years.

- 18 • In comparing the GCR period November 2008-October 2009 to November
19 2009-October 2010, transportation and storage contracts increased by
20 \$1,147,995 or 4.23%. (Attachment MD-2)
- 21 • In comparing the GCR period November 2009-October 2010 to November
22 2010-October 2011, transportation and storage contracts increased by
23 \$1,130,984 or 3.99%. (Attachment MD-3)

- In comparing the projected costs for the GCR period November 2010-October 2011 to November 2011- October 2012, the transportation and storage contracts are projected to decrease by \$102,812 or 0.36%. (Attachment MD-4)

Q. Do you have any recommendations regarding the fixed costs?

A. Yes. The Company should continue to review costs related to pipeline capacity storage/seasonal services, and supplemental and peaking sources for opportunities to mitigate increases in fixed costs.

Q. Is the Company proposing to increase the Transportation Balancing Fee assessed on the imbalance volumes of all transportation service customers?

A. Yes. The Company is proposing to increase the Transportation Balancing Fee from \$0.3737 per Mcf to \$0.3829 or 2.5%. According to Mr. Jacoby's testimony (page 11), the increase is due to an increase in the estimated upstream cost of balancing and a projected increase in total gas deliveries.

D. Capacity Release and Off-System Sales

Q. What are the Company's forecasted off-system sales and capacity release revenues?

A. The Company forecasts that it will receive \$6,417,929 in gross margins from off-system sales and capacity release transactions.

Q. Is the Company complying with the margin sharing parameters in accordance with PSC Order No. 7658?

1 A. It appears to be. The Company provided monthly levels of capacity credits received, the
2 total amounts per year and the amounts credited to ratepayers over the last five years, as well as
3 annual off-system sales revenues, expenses, margins and capacity release revenues. Based on
4 Staff's analysis of this information, the Company appears to be complying with the approved
5 margin sharing parameters.

6 **E. Customer Awareness Campaigns**

7 **Q. Please describe the Company's Budget Billing Program**

8 A. Delmarva's budget billing program helps customers avoid seasonal peaks in energy usage
9 by dividing their payments evenly over the course of the year. Delmarva promotes the budget
10 billing program on a regular basis. The Company has taken the following steps to inform
11 customers about its budget billing program:

- 12 • Bill inserts that contain information about the program and how to enroll;
- 13 • Messages in "LINES" (the Company's newsletter for customers);
- 14 • Promotional messages on its billing envelope for the upcoming heating
15 season;
- 16 • Messages in My Energy Gram (an electronic newsletter to customers enrolled
17 in "My Account");
- 18 • Flyers handed out at various community events; and
- 19 • Promotion on the internet homepage of Delmarva.com which links to
20 information about the program and enables customers to enroll online or by
21 contacting Customer Service.

1 **Q. What is the Company doing to educate consumers about energy efficiency and**
2 **financial assistance programs?**

3 A. The Company includes energy conservation information in the customer newsletters and
4 on its website. Customers are also encouraged to learn more at community meetings and various
5 Speakers Bureau presentations. The Company plans to work with the Sustainable Energy Utility
6 to explore conservation programs for its customers. Delmarva partners with the Salvation Army
7 to offer energy assistance to low-income customers through the Good Neighbor Energy Fund. In
8 addition, the Company conducts an annual Low Income Summit meeting, which was held on
9 October 12, 2011. Finally, the Company's Customer Services processes offer flexible payment
10 arrangements to help customers.

11
12 **IV. Gas Cost Rate Recommendations**
13

14 **Q. Do you agree with the Company's request to modify its GCR factors?**

15 A. Yes. I recommend that the PSC approve as final the rates that were authorized on a
16 temporary basis, subject to refund, for the 2011-2012 GCR period. The GCR true-up process will
17 reconcile currently projected gas costs and actual gas costs.

18
19 **Q. Does this conclude your testimony?**

20 A. Yes.

APPENDIX

Calculations based on residential customer using 120 ccf per winter month

<u>Current</u>		<u>Proposed</u>	
Customer Charge	\$10.4	Customer Charge	\$10.4
Commodity Charge- 1st 50 ccf @\$0.45802	\$22.901	Commodity Charge- 1st 50 ccf @\$0.45802	\$22.901
Commodity Charge-over 50 ccf@\$0.36754	\$25.7278	Commodity Charge-over 50 ccf@\$0.36754	\$25.7278
Total Base Rate	\$59.0288	Total Base Rate**	\$59.0288
ESR*	\$0.2472	ESR*	\$0.0156
GCR @\$0.94042/ccf	\$112.8504	GCR@\$1.03738/ccf	\$106.5648
TOTAL	\$ 171.9992	TOTAL	\$ 165.6092
Overall \$ Decrease			-\$6.39
Overall % Decrease			-3.7%
\$ Decrease due to GCR			\$ (6.29)
% Decrease due to GCR			-3.7%

* Current ESR= \$0.001/ccf based on PSC Docket 10-290. Proposed ESR=\$0.00013/ccf based on PSC Docket 11-382.

Attachment MD-2

Delmarva Power & Light Company
Firm Transportation & Storage Contract Portfolio

Summary of Actual Fixed Gas Costs

Pipeline Capacity & Supply	2008-2009 Total Costs	2009-2010 Total Costs	Year-to-year Change	Percentage Change
TRANSCO SENTINEL FT	\$3,908,516	\$4,697,287	\$788,771	20.18%
TRANSCO M&R SURCHARGE	\$694,238		(\$694,238)	-100.00%
TRANSCO FT	\$9,309,135	\$8,954,908	(\$354,227)	-3.81%
TRANSCO FT (ESNG)	\$94,281	\$86,284	(\$7,997)	-8.48%
TRANSCO LIEDY-LINE FT	\$216,828	\$216,829	\$1	0.00%
COLUMBIA FTS	1,933,475	1,933,214	(\$261)	-0.01%
GULF FTS-1 & FTS-2	\$768,682	\$837,398	\$68,716	8.94%
TETCO ITP AND LATERAL	\$1,863,039	\$1,879,772	\$16,733	0.90%
NATIONAL/NOVA/TCPL	\$205,088	\$205,088	\$0	0.00%
EASTERN SHORE FT365	\$3,938,888	\$4,095,792	\$156,904	3.98%
EASTERN SHORE T-1	\$66,429	\$66,429	\$0	0.00%
EASTERN SHORE E-3 SURCHARGE	\$150,463	\$249,321	\$98,858	65.70%
TRANSCO SENTINEL METER UPGRADE	\$0	\$892,258	\$892,258	
SUBTOTAL	\$23,149,062	\$24,114,580	\$965,518	4.17%
Storage/Seasonal Services				
TRANSCO GSS	\$1,487,715	\$1,482,927	(\$4,788)	-0.32%
COLUMBIA FSS	\$625,129	\$637,333	\$12,204	1.95%
COLUMBIA SST	\$836,134	\$800,108	(\$36,026)	-4.31%
TRANSCO PS-3	\$139,223	\$139,212	(\$11)	-0.01%
PENN YORK SS-2	\$328,986	\$328,179	(\$807)	-0.25%
TRANSCO ESS	\$278,068	\$524,160	\$246,092	88.50%
TRANSCO WSS	\$203,214	\$169,252	(\$33,962)	-16.71%
SUBTOTAL	\$3,898,469	\$4,081,171	\$182,702	4.69%
Supplemental & Peaking Sources				
TRANSCO LGA	\$82,278	\$82,053	(\$225)	-0.27%
TRANSCO LNG	\$36,723	\$36,723	\$0	0.00%
SUBTOTAL	\$119,001	\$118,776	(\$225)	-0.19%
TOTAL	\$27,166,532	\$28,314,527	\$1,147,995	4.23%

Source- Staff Data Request No. 56 Docket 09-385F & Staff Data Request No. 54 Docket No. 10-295F

Attachment MD- 3

Delmarva Power & Light Company
Firm Transportation & Storage Contract Portfolio

Summary of Actual Fixed Gas Costs

Pipeline Capacity & Supply	2009-2010 Total Costs	2010-2011 Total Costs	Year-to-year Change	Percentage Change
TRANSCO SENTINEL FT	\$4,697,287	\$5,031,227	\$333,940	7.11%
TRANSCO FT	\$8,954,908	\$9,369,149	\$414,241	4.63%
TRANSCO FT (ESNG)	\$86,284	\$94,816	\$8,532	9.89%
TRANSCO LIEDY-LINE FT	\$216,829	\$217,682	\$853	0.39%
COLUMBIA FTS	\$1,933,214	\$1,948,159	\$14,945	0.77%
GULF FTS-1 & FTS-2	\$837,398	\$1,152,296	\$314,898	37.60%
TETCO ITP AND LATERAL	\$1,879,772	\$1,867,605	(\$12,167)	-0.65%
NATIONAL/NOVA/TCPL	\$205,088	\$205,088	\$0	0.00%
EASTERN SHORE FT365	\$4,095,792	\$4,034,855	(\$60,937)	-1.49%
EASTERN SHORE T-1	\$66,429	\$71,860	\$5,431	8.18%
EASTERN SHORE E-3 SURCHARGE	\$249,321	\$273,904	\$24,583	9.86%
TRANSCO SENTINEL METER UPGRADE	\$892,258	\$892,258	\$0	0.00%
SUBTOTAL	\$ 24,114,580	\$ 25,158,899	\$ 1,044,319	4.33%
Storage/Seasonal Services				
TRANSCO GSS	\$1,482,927	\$1,491,403	\$8,476	0.57%
COLUMBIA FSS	\$637,333	\$637,237	(\$96)	-0.02%
COLUMBIA SST	\$800,108	\$847,422	\$47,314	5.91%
TRANSCO PS-3	\$139,212	\$139,980	\$768	0.55%
PENN YORK SS-2	\$328,179	\$328,179	\$0	0.00%
TRANSCO ESS	\$524,160	\$525,600	\$1,440	0.27%
TRANSCO WSS	\$169,252	\$197,791	\$28,539	16.86%
SUBTOTAL	\$4,081,171	\$4,167,612	\$86,441	2.12%
Supplemental & Peaking Sources				
TRANSCO LGA	\$82,053	\$82,277	\$224	0.27%
TRANSCO LNG	\$36,723	\$36,723	\$0	0.00%
DELMARVA LNG	\$0	\$0	\$0	0.00%
SUBTOTAL	\$118,776	\$119,000	\$224	0.27%
TOTAL	\$ 28,314,751	\$ 29,445,511	\$ 1,130,984	3.99%

Source- Staff Data Request 54 in Docket No.10-295F and Updated Schedule MG-2 in Docket 11-381F

Attachment MD- 4

Delmarva Power & Light Company
Firm Transportation & Storage Contract Portfolio

Summary of Projected Fixed Gas Costs

Pipeline Capacity & Supply	2010-2011 Total Costs	2011-2012 Total Costs	Year-to-year Change	Percentage Change
TRANSCO FT	\$9,206,674	\$9,406,148	\$199,474	2.12%
COLUMBIA FTS	\$1,962,396	\$1,938,816	(\$23,580)	-1.22%
TRANSCO SENTINEL FT	\$5,026,116	\$5,042,569	\$16,453	0.33%
TETCO, TRUNK & PEPL	\$1,876,933	\$1,867,498	(\$9,435)	-0.51%
TRANSCO LEIDY-LINE FT	\$217,056	\$218,741	\$1,685	0.77%
TRANSCO FT	\$93,027	\$7,809	(\$85,218)	-1091%
GULF FTS-1 & FTS-2	\$824,604	\$1,188,716	\$364,112	30.63%
NATIONAL FUELS FT	\$205,088	\$85,455	(\$119,633)	-140.00%
EASTERN SHORE FT365	\$3,826,229	\$3,975,087	\$148,858	3.74%
EASTERN SHORE T-1	\$66,432	\$72,429	\$5,997	8.28%
EASTERN SHORE E-3 SURCHARGE	\$254,095	\$288,053	\$33,958	11.79%
TRANSCO SENTINEL METER UPGRADE	\$892,258	\$894,691	\$2,433	0.27%
SUBTOTAL	\$ 24,450,908	\$ 24,986,012	\$ 535,104	2%
Storage/Seasonal Services				
TRANSCO GSS	\$1,487,400	\$1,496,646	\$9,246	0.62%
COLUMBIA FSS	\$637,380	\$637,188	(\$192)	-0.03%
COLUMBIA SST	\$850,248	\$839,772	(\$10,476)	-1.25%
TRANSCO PS-3	\$131,648	\$160,919	\$29,271	18.19%
PENN YORK SS-2	\$328,488	\$136,745	(\$191,743)	-140.22%
TRANSCO ESS	\$525,604	\$500,408	(\$25,196)	-5.04%
TRANSCO WSS	\$203,220	\$126,190	(\$77,030)	-61.04%
SUBTOTAL	\$4,163,988	\$ 3,897,868	(\$266,120)	-6.39%
Supplemental & Peaking Sources				
TRANSCO LGA	\$82,284	\$41,027	-\$41,257	-100.56%
TRANSCO LNG	\$36,732	\$36,823	\$91	0.25%
SUBTOTAL	\$119,016	\$77,850	(\$41,166)	-34.59%
REFUNDS				
COLUMBIA GULF PIPELINE REFUND	\$0	(\$181,786)	(\$181,786)	100%
EASTERN SHORE PIPELINE REFUND	\$0	(\$148,845)	(\$148,845)	100%
SUBTOTAL	\$0	(\$330,631)	(\$330,631)	100%
TOTAL	\$ 28,733,912	\$ 28,631,099	\$ (102,813)	-0.36%

Source- Schedule MG-2 Docket No.11-381F